

The treasurer of a political issues committee must retain all receipted bills and records for six (6) years from the date the last report is filed. KRS 121.160(2).

#### **PROHIBITIONS**

Corporate influence, by bribe, favor, promise, inducement or otherwise, over the vote or suffrage of any employee against or in favor of any candidate, platform, principle or issue in any election is expressly prohibited. KRS 121.310(2). The assessment or coercion of money from a state or federal employee to aid any public question to be voted upon by the voters is expressly prohibited. KRS 121.320.

#### **PENALTIES**

Pursuant to KRS 121.990, knowing violations of the statutes outlined in this brochure may result in conviction of a Class D felony, which carries substantial criminal penalties. A failure to file or timely file the required reports may result in civil penalties.

#### **IMPORTANT (Disclaimer)**

This brochure is intended as a general reference tool and in no way supersedes statutory law or administrative regulations promulgated by the Registry. The Registry recommends a complete reading of the campaign finance laws contained in KRS Chapter 121, and the rules contained in Kentucky Administrative Regulations Title 32.



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## **POLITICAL ISSUES COMMITTEES**

**REGULATION OF BALLOT ISSUE  
FUNDRAISING & SPENDING**



# POLITICAL ISSUES COMMITTEES

## INTRODUCTION

The Kentucky General Assembly has delegated to the jurisdiction of Kentucky Registry of Election Finance ("Registry") the regulation of ballot issue fundraising by defining political issues committees and requiring ballot issue fundraising and spending to conform to the provisions of KRS Chapter 121. Prior to raising or spending funds to advocate or oppose a constitutional amendment or public question which appears on the ballot, persons may be required to register as a political issues committee. A political issues committee is defined as three (3) or more persons joining together to advocate or oppose a constitutional amendment or public question which appears on the ballot if that committee receives or expends money in excess of one thousand dollars (\$1,000). KRS 121.015(3)(c).

## HOW TO REGISTER A POLITICAL ISSUES COMMITTEE

An individual or group that wishes to form a political issues committee must file a Political Committee Registration Form (KREF 010) with the Registry **before** any funds are raised or spent on the committee's behalf. KRS 121.170. To obtain a Political Committee Registration Form, you may contact the Registry at the address and telephone number listed in this brochure.

## CONTRIBUTIONS TO A POLITICAL ISSUES COMMITTEE

Political issues committees must report the contributions they receive. A contribution means any payment, distribution, loan, deposit, or gift of money or any other thing of value, to a political issues committee from any source. KRS 121.015(6). A contribution also includes certain in-kind contributions of goods, advertising or services paid or donated by another person for use by the political issues committee. KRS 121.015(6); 32 KAR 2:170. A contribution does not include services provided without compensation by individuals volunteering

a portion or all of their time on behalf of a political issues committee. KRS 121.015(7); 32 KAR 2:170.

There is no enforceable limit on contributions to political issues committees, as opined by the Registry in KREF Advisory Opinions 1998-011, 1999-005, 2000-004, 2000-005, 2001-001 and 2002-005 (citing Citizens Against Rent Control v. Berkeley, 454 U.S. 290 (1981)). Corporate contributions in support of a constitutional amendment or a public question are permitted. KRS 121.035(3). However, all contributions accepted by a political issues committee must comply with certain contribution restrictions imposed on committees, generally, as provided in KRS 121.150. These limits include:

- No political issues committee shall accept cash contributions in excess of \$50 from each contributor.
- No political issues committee shall accept anonymous contributions in excess of \$50 from each contributor or in excess of \$1,000 in the aggregate.
- No political issues committee shall accept contributions in excess of \$100 from a minor (any person who is not 18 years-old on or before the next general election).
- No political issues committee shall accept a contribution made by a person who has received a payment, distribution, loan, advance, deposit or gift of money from another person to contribute on their behalf. KRS 121.150(12) (prohibiting giving in the name of another).

Before receiving any contributions or expending any funds, a political issues committee must designate one primary depository for the purpose of depositing all contributions received and disbursing all expenditures. KRS 121.220.

The treasurer of a political issues committee is required to maintain the same information as required of a campaign treasurer. KRS 121.160, KRS 121.170(3); see also KRS 121.180(3)(a), explained in KREF Advisory Opinion 2000-005. For each deposit of funds received, the treasurer shall retain a short statement showing the following:

- The amount of each contribution.
- The date each contribution was received.
- For contributions from permanent committees (PACs), regardless of amount, the name, business address, and description of the interest represented.
- For contributions from individuals in excess of \$100, the name, address, occupation and employer.

## EXPENDITURES MADE BY A POLITICAL ISSUES COMMITTEE

Expenditures made by a political issues committee should be directly and primarily in support of the political issues committee's position on the constitutional amendment or public question for which the committee was organized. KRS 121.175; KRS 121.180(10). All expenditures must be made from the political issues committee's account. KRS 121.220. For any expenditure of twenty-five dollars (\$25) or more, the expenditure must be made by check and an itemized record must be retained and disclosed, including the name, address and occupation of the person or firm to whom the expenditure is made, the date and the amount. KRS 121.160(2).

## REPORTING REQUIREMENTS

Political issues committees, upon registration, shall report to the Registry on the 32<sup>nd</sup> day preceding, the 15<sup>th</sup> day preceding and the 30<sup>th</sup> day after an election, including a special election when applicable. KRS 121.180(3)(b). Political issues committees that register prior to the year of the election for which the public question or constitutional amendment will appear on the ballot shall have additional reports due on a quarterly basis until the year of the election. KRS 121.180(3)(b). As specific reporting dates may vary, a political issues committee, upon registration, will be notified of the reporting dates applicable to its circumstances.

## OTHER DUTIES

After the election, unexpended funds in the political issues committee's account may be disposed of in whole or in part as follows:

- Escheat to the State Treasury
- Returned pro rata to all contributors
- Retained to further the same public issue
- Donated to any charitable, nonprofit, or educational institution recognized under Section 501(c)(3) of the U.S. Internal Revenue Code.